



# **PSC NEWS**

## **Missouri Public Service Commission**

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**FOR IMMEDIATE RELEASE**

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### **PSC OPENS CASE TO REVIEW NATURAL GAS PURCHASING PRACTICES**

JEFFERSON CITY--Concerned over high wholesale natural gas prices and the effect that those prices will have on Missourians this winter, the Missouri Public Service Commission has opened a case to receive detailed information from local natural gas companies on what they have done and are doing to soften the impact of rising wholesale natural gas prices. Current market natural gas prices are the highest they have ever been for this time of the year and it is expected that natural gas rates for customers will be significantly higher this winter versus last winter.

The Commission believes that the ratepaying public faces a winter season of unprecedented natural gas prices. "While the factors causing these prices may be outside of the control of the gas utilities, it is nonetheless more important than ever that the LDCs (Local Distribution Company) pursue gas acquisition strategies that will ameliorate price spikes," the Commission said.

At this time, there is no allegation of any imprudence by any Missouri local natural gas distribution company.

This case will give the Commission the opportunity to review and evaluate the instruments available to the Missouri utilities to hedge. In addition, the Commission will have the opportunity to review and consider the costs of the different hedging vehicles available to Missouri utilities such as storage, fixed price contracts, call options, futures contracts and other financial instruments.

A prehearing conference for parties in this case is scheduled for October 5, 2005, in the Governor Office Building in Jefferson City.